

Select Committee on Pension Policy

P.O. Box 40914
Olympia, WA 98504-0914
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June 21, 2005

9:30 AM - 12:30 PM

**Senate Hearing Room 4
Olympia**

AGENDA

- 9:30 AM **(1) Introduction of Members and Staff**
- 9:45 AM **(2) Elections/Appointments**
(Chair, Vice Chair, Executive Committee Members,
State Actuary Appointment Committee, Subgroups)
- 10:00 AM **(3) Rules of Procedure**
- 10:30 AM **(4) 2005 Meeting Dates**
- 10:45 AM **(5) Session Update**
– Bob Baker, Senior Research Analyst
- 11:15 PM **(6) 2005 Work Plan**
- 11:45 PM **(7) 2005 Mandatory Studies**
– Gain-sharing
– Post-retirement Employment
- 12:30 PM **(8) Adjourn**

Elaine M. Banks
TRS Retirees

Lois Clement
PERS Retirees

Representative Steve Conway*

Representative Larry Crouse

Senator Karen Fraser*

Representative Bill Fromhold

Leland A. Goeke*
TRS and SERS Employers

Robert Keller
PERS Actives

Sandy Matheson, Director*
Department of Retirement Systems

Corky Mattingly
PERS Employers

Doug Miller
PERS Employers

Victor Moore, Director
Office of Financial Management

Senator Joyce Mulliken

Representative Toby Nixon

Glenn Olson
PERS Employers

Diane Rae
TRS Actives

Senator Debbie Regala

J. Pat Thompson
PERS Actives

David Westberg*
SERS Actives

*** Executive Committee**

Select Committee on Pension Policy

REORGANIZATION ELECTIONS/ APPOINTMENTS

(June 9, 2005)

According to SCPP Rule 7, the SCPP's reorganization elections shall take place at the first meeting of the year. First the Chair and Vice Chair shall be elected, then members of the Executive Committee. Required appointments include members of the State Actuary Appointment Committee. Subcommittees and subgroups are discretionary. There are currently three pending requests for study by a subcommittee or subgroup.

CHAIR

The chair shall be a member of the House in odd-numbered years. RCW 41.04.276 (3).

VICE CHAIR

The vice-chair shall be a member of the Senate in odd-numbered years. RCW 41.04.276(3).

EXECUTIVE COMMITTEE

The executive committee shall include the chair, the vice-chair, one member representative, one employer representative, one retiree representative (effective July 24, 2005), and the Director of the Department of Retirement Systems (OFM Director will no longer be an alternate as of July 24, 2005). RCW 41.04.276(4).

STATE ACTUARY APPOINTMENT COMMITTEE

The Chair and Vice Chair of the SCPP shall jointly appoint four SCPP members to serve on the State Actuary Appointment Committee, at least one of which shall represent state retirement systems active or retired members, and one member representing retirement system employers. RCW 44.44.013(1).

Current Members are: Prentice, Zarelli, Sommers, Alexander, Fraser, Conway, Goeke, Thompson.

SUBCOMMITTEES

Subcommittees may be formed upon recommendation of the Executive Committee. The creation of any subcommittee and the appointment of its members shall be voted on by the full SCPP. SCPP Rule 7. Function-specific subcommittees may be formed for any of the following: 1)public safety, 2)education and/or 3) state and local government. Each subcommittee shall have a Senate member, a House member, an active member or representative, a retiree or retiree representative, and an employer representative of members of the state retirement system; except that a state and local government subcommittee is not required to have a retiree representative. RCW 41.04.278.

"SUBGROUPS"

Subgroups are informal workgroups. There are no statutes or rules addressing them. Last session several subgroups met to develop recommendations or reports on a variety of issues. These recommendations and/or reports were made to the SCPP Executive Committee and to the SCPP at large. Subgroup membership was determined by the Chair.

PENDING REQUESTS FOR STUDY BY A SUBCOMMITTEE OR SUBGROUP:

1. ***Extended School Year Issues.*** Last year's Executive Committee recommended that this item be studied in the 2005 interim, and a subgroup was appointed consisting of Banks, Goeke, Mattheson and Rae. Alternatively, these issues could be studied by an education subcommittee.
2. ***DRS Study Proposal.*** A request has been made that the SCPP evaluate whether to ask the legislature to mandate a study of how DRS rules and regulations affect public school districts and educational service districts as they manage their employee payrolls for retirement processing for PERS, TRS and SERS. This item could be addressed by an education subcommittee.

3. ***Troopers' Issues.*** The Washington State Patrol Troopers Association has requested that the SCPP convene a public safety subcommittee to study issues related to member contributions, mandatory retirement, disability and distinctions between WSPRS and PERS.

Select Committee on Pension Policy

Proposed Rules of Procedure

(~~August 17, 2004~~ May 10, 2005)

- RULE 1. Membership. The Committee shall consist of 20 members: two from each caucus of the legislature, four active members or representatives of active members of the state retirement systems, two retired members or representatives of retired members of the state retirement systems, four employer representatives, and the Directors of the Department of Retirement Systems and the Office of Financial Management.

The Directors of the Department of Retirement Systems and the Office of Financial Management may appoint alternates from their respective agencies for membership on the SCPP.

- RULE 2. Meetings. The Select Committee on Pension Policy (SCPP) will typically meet once each month during the Legislative Interim. Additional meetings may be called by the Chair of the SCPP or Executive Committee as deemed necessary.

- RULE 3. Rules of Order. All meetings of the SCPP, its Executive Committee, or any subcommittee created by the SCPP shall be governed by Reed's Parliamentary Rules, except as specified by applicable law or these Rules of Procedure.

- RULE 4. Quorum. A majority of the 20 committee members shall constitute a quorum of the Full Committee (11 members). A majority of the members appointed to a subcommittee shall constitute a quorum of the subcommittee.

- RULE 5. Voting. A majority of the 20 committee members must vote in the affirmative for an official action of the SCPP to be valid (11 members); a majority of those committee members present must vote in the affirmative on procedural matters (at least 6 members), unless provided otherwise in statute or these Rules of Procedure. A majority of the members appointed to a subcommittee must vote in the affirmative for an official action of a subcommittee to be valid; a majority of those subcommittee members present must vote in the affirmative on procedural matters, unless provided otherwise in statute or these Rules of Procedure.

- RULE 6. Minutes. Minutes summarizing the proceedings of each SCPP meeting and subcommittee shall be kept. These minutes will include member attendance, official actions taken at each meeting, and persons testifying.

- RULE 7. SCPP Chair, Vice Chair, Executive Committee and Subcommittees. An Executive Committee shall be established and shall include ~~five~~ six members. Reorganization elections shall take place at the first meeting of the year as follows: First the Chair shall be elected and then the Vice Chair shall be elected. The Chair shall be a member of the Senate in even-numbered years and a member of the House of Representatives in odd-numbered years. The Vice Chair shall be a member of the House in even-numbered years and a member of the Senate in odd-numbered years.

~~Two~~ Three members of the Executive Committee shall then be elected, one member representing active members, ~~and~~ one member representing employers, ~~and one member representing retirees~~. In addition, the Director of the Department of Retirement Systems ~~and the Director of the Office of Financial Management shall alternate membership on the Executive Committee. The Director of the Department of Retirement Systems will~~ shall serve on the Executive Committee, ~~in odd-numbered years; the Director of the Office of Financial Management in even-numbered years.~~

Executive Committee members may designate an alternate to attend Executive Committee meetings in the event they cannot attend. Alternates shall be members of the SCPP who represent the same member group as the elected Executive Committee member.

Subcommittees of the SCPP may be formed upon recommendation of the Executive Committee. The creation of the subcommittee and appointment of members shall be voted on by the full SCPP.

RULE 8. Duties of Officers.

- A. The Chair shall preside at all meetings of the SCPP and Executive Committee, except that the Vice Chair shall preside when the Chair is not present. In their absence, an Executive Committee member may preside.
- B. The State Actuary shall prepare and maintain a record of the proceedings of all meetings of the SCPP Committee, Executive Committee, and SCPP Subcommittees.
- C. The Executive Committee shall perform all duties assigned to it by these Rules of Procedure, such other duties delegated to it by the SCPP, and shall set meeting agendas and recommend actions to be taken by the SCPP.
- D. A recommendation to refer an issue to the Assistant Attorney General will be approved by the Chair or by a majority vote of the Executive Committee. The Chair or the Committee will consider priorities of the SCPP of all legal issues and budget constraints in making this decision.

Advice from the Attorney General's Office to the Chair or the Committee may be subject to the attorney client privilege. When subject to the privilege, Committee members are advised to maintain the advice as confidential. The privilege may be waived only by vote of the Committee.

- E. The State Actuary may refer requests for information or services by Select Committee on Pension Policy members that are directly related to current Committee projects or proposals and/or require a significant use of OSA resources to either the Chair of the SCPP or the Executive Committee. Such requests will be approved by either the Chair or by a majority vote of the Executive Committee prior to initiation and completion by the OSA. The Executive Committee will consider priorities of all current OSA projects and budget constraints in making this decision.
- F. The State Actuary shall submit the following to the Executive Committee and the full SCPP for approval: the biennial budget submission for the OSA, and any personal services contract of \$20,000 or more that is not described in the biennial budget submission.
- G. The Chair and Vice Chair shall appoint four members of the SCPP to serve on the State Actuary Appointment Committee. At least one member shall represent state retirement systems' active or retired members, and one member shall represent state retirement system employers. The Chair and Vice Chair may designate an alternate for each appointee from the same category of membership.

RULE 9. Expenses. Legislators' travel expenses shall be paid by the member's legislative body; state employees' expenses shall be paid by their employing agency; other SCPP members' travel expenses shall be reimbursed by the Office of the State Actuary in accordance with RCW 43.03.050 and 43.03.060.

RULE 10. Staff. The OSA shall provide staff and technical assistance to the Committee. The State Actuary has the statutory authority to select and employ such research, technical, clerical personnel, and consultants as the State Actuary deems necessary. The State Actuary shall inform the Executive Committee of final personnel actions. Any employee terminated by the State Actuary shall have the right of appeal to the Executive Committee. The State Actuary has also implemented a grievance procedure within the OSA. Any employee who has followed the OSA grievance process and disagrees with the outcome may appeal to the Chair or Vice Chair for action by the Executive Committee.

Effective Date July 24, 2005.

Revised ~~August 17, 2004~~ June , 2005 by the Select Committee on Pension Policy.

~~Senator Karen Fraser, Chair~~

~~Representative Steve Conway, Vice Chair~~

Representative _____, Chair

Senator _____, Vice Chair

CERTIFICATION OF ENROLLMENT

HOUSE BILL 1323

Chapter 24, Laws of 2005

59th Legislature
2005 Regular Session

SELECT COMMITTEE ON PENSION POLICY

EFFECTIVE DATE: 7/24/05

Passed by the House March 8, 2005
Yeas 85 Nays 0

FRANK CHOPP

Speaker of the House of Representatives

Passed by the Senate April 4, 2005
Yeas 42 Nays 0

BRAD OWEN

President of the Senate

Approved April 12, 2005.

CHRISTINE GREGOIRE

Governor of the State of Washington

CERTIFICATE

I, Richard Nafziger, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is HOUSE BILL 1323 as passed by the House of Representatives and the Senate on the dates hereon set forth.

RICHARD NAFZIGER

Chief Clerk

FILED

April 12, 2005 - 12:21 p.m.

Secretary of State
State of Washington

HOUSE BILL 1323

Passed Legislature - 2005 Regular Session

State of Washington 59th Legislature 2005 Regular Session

By Representatives Conway, Fromhold, Crouse, Simpson, Linville and Chase; by request of Select Committee on Pension Policy

Read first time 01/20/2005. Referred to Committee on Appropriations.

1 AN ACT Relating to the membership of the executive committee of the
2 select committee on pension policy; and amending RCW 41.04.276.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 **Sec. 1.** RCW 41.04.276 and 2003 c 295 s 1 are each amended to read
5 as follows:

6 (1) The select committee on pension policy is created. The select
7 committee consists of:

8 (a) Four members of the senate appointed by the president of the
9 senate, two of whom are members of the majority party and two of whom
10 are members of the minority party. At least three of the appointees
11 shall be members of the senate ways and means committee;

12 (b) Four members of the house of representatives appointed by the
13 speaker, two of whom are members of the majority party and two of whom
14 are members of the minority party. At least three of the appointees
15 shall be members of the house of representatives appropriations
16 committee;

17 (c) Four active members or representatives from organizations of
18 active members of the state retirement systems appointed by the

1 governor for staggered three-year terms, with no more than two
2 appointees representing any one employee retirement system;

3 (d) Two retired members or representatives of retired members'
4 organizations of the state retirement systems appointed by the governor
5 for staggered three-year terms, with no two members from the same
6 system;

7 (e) Four employer representatives of members of the state
8 retirement systems appointed by the governor for staggered three-year
9 terms; and

10 (f) The directors of the department of retirement systems and
11 office of financial management.

12 (2)(a) The term of office of each member of the house of
13 representatives or senate serving on the committee runs from the close
14 of the session in which he or she is appointed until the close of the
15 next regular session held in an odd-numbered year. If a successor is
16 not appointed during a session, the member's term continues until the
17 member is reappointed or a successor is appointed. The term of office
18 for a committee member who is a member of the house of representatives
19 or the senate who does not continue as a member of the senate or house
20 of representatives ceases upon the convening of the next session of the
21 legislature during the odd-numbered year following the member's
22 appointment, or upon the member's resignation, whichever is earlier.
23 All vacancies of positions held by members of the legislature must be
24 filled from the same political party and from the same house as the
25 member whose seat was vacated.

26 (b) Following the terms of members and representatives appointed
27 under subsection (1)(d) of this section, the retiree positions shall be
28 rotated to ensure that each system has an opportunity to have a retiree
29 representative on the committee.

30 (3) The committee shall elect a chairperson and a vice-chairperson.
31 The chairperson shall be a member of the senate in even-numbered years
32 and a member of the house of representatives in odd-numbered years and
33 the vice-chairperson shall be a member of the house of representatives
34 in even-numbered years and a member of the senate in odd-numbered
35 years.

36 (4) The committee shall establish an executive committee of
37 (~~five~~) six members, including the chairperson, the vice-chairperson,
38 one member from subsection (1)(c) of this section, one member from

1 subsection (1)(d) of this section, one member from subsection (1)(e) of
2 this section, and ~~((one member from subsection (1)(f) of this section,~~
3 ~~with))~~ the director(~~(s))~~ of the department of retirement systems ~~((and~~
4 ~~the office of financial management serving in alternate years))~~.

5 (5) Nonlegislative members of the select committee serve without
6 compensation, but shall be reimbursed for travel expenses under RCW
7 43.03.050 and 43.03.060.

8 (6) The office of state actuary under chapter 44.44 RCW shall
9 provide staff and technical support to the committee.

Passed by the House March 8, 2005.

Passed by the Senate April 4, 2005.

Approved by the Governor April 12, 2005.

Filed in Office of Secretary of State April 12, 2005.

Select Committee on Pension Policy

Proposed Meeting Schedule

(June 8, 2005)

June 20, 2005

10:00 AM - 6:30 PM

Senate Hearing Room 1

Orientation

September ___, 2005

June 21, 2005

9:30 AM-12:30 PM

Senate Hearing Room 4

October 18, 2005

House Hearing Room A

July 19, 2005

House Hearing Room A

November 15, 2005

House Hearing Room A

August 23, 2005

House Hearing Room A

December 13, 2005

House Hearing Room A

July

<i>Sun</i>	<i>Mon</i>	<i>Tue</i>	<i>Wed</i>	<i>Thu</i>	<i>Fri</i>	<i>Sat</i>
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19 SCPP Meeting	20	21	22	23
24	25	26	27	28	29	30
31						

2005

August

<i>Sun</i>	<i>Mon</i>	<i>Tue</i>	<i>Wed</i>	<i>Thu</i>	<i>Fri</i>	<i>Sat</i>
	1	2 ALEC	3 ALEC	4 ALEC	5 ALEC	6
7	8	9	10	11	12	13
14	15	16 NCSL	17 NCSL	18 NCSL	19 NCSL	20
21	22	23 SCPP Meeting	24	25	26	27
28	29	30	31			

2005

September

<i>Sun</i>	<i>Mon</i>	<i>Tue</i>	<i>Wed</i>	<i>Thu</i>	<i>Fri</i>	<i>Sat</i>
				1	2	3
4	5	6	7	8	9	10
11	12	13	14 JLARC House Leg Assembly	15 House Leg Assembly	16 House Leg Assembly	17
18	19 Senate Leg Assembly	20 Senate Leg Assembly	21 Senate Leg Assembly	22	23	24
25	26	27	28	29	30	

★Primary Election★

2005

October

<i>Sun</i>	<i>Mon</i>	<i>Tue</i>	<i>Wed</i>	<i>Thu</i>	<i>Fri</i>	<i>Sat</i>
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18 SCPP Meeting JLARC	19	20	21	22
23	24	25	26	27	28	29
30	31					

2005

November

<i>Sun</i>	<i>Mon</i>	<i>Tue</i>	<i>Wed</i>	<i>Thu</i>	<i>Fri</i>	<i>Sat</i>
		1	2	3	4	5
6	7	8 General Election	9	10	11	12
13	14	15 SCPP Meeting	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30 JLARC			

2005

December

<i>Sun</i>	<i>Mon</i>	<i>Tue</i>	<i>Wed</i>	<i>Thu</i>	<i>Fri</i>	<i>Sat</i>
				1 Council/Gov'ts	2 Council/Gov'ts	3
4	5 Leg Assembly?	6 Leg Assembly?	7 Leg Assembly?	8 Leg Assembly? ALEC	9 Leg Assembly? ALEC	10
11	12	13 SCPP Meeting	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

2005

Select Committee on Pension Policy
2005 Session Update
(June 15, 2005)

SCPP Bills that Passed

1. **HB 1321 - Part-time ESAs (Fromhold)**

This bill impacts the Teachers' Retirement System (TRS) Plan 1 by allowing Certified Educational Staff Associates (ESAs) to annualize their salaries when calculating their average final compensation so they may receive proportionate retirement benefits.

Fiscal Impact: Insufficient to impact contribution rates.

Status: Governor signed on April 12th as Chapter 23 Laws of 2005.

Effective Date: 90 days after session (July 24, 2005).

2. **HB 1323 - Executive Committee Membership (Conway)**

This bill adds one retiree representative to the Executive Committee of the Select Committee on Pension Policy. In addition, this bill deletes from statute the provision requiring the director of the office of financial management to serve as a member of the Executive Committee in alternate years.

Fiscal Impact: None.

Status: Governor signed on April 12th as Chapter 24 Laws of 2005.

Effective Date: 90 days after session (July 24, 2005).

3. **HB 1319 - LEOFF 1 Ex-spouse Survivor Benefit (Conway)**

This bill impacts the Law Enforcement Officer's and Fire Fighter's Retirement System Plan 1 (LEOFF 1) by allowing all ex-spouses of LEOFF 1 members, who have been provided benefits under any court-approved property settlement agreement incident to the divorce of the member and ex-spouse, to continue receiving those benefits after the death of the member. The bill will also allow those ex-spouses whose benefit was suspended upon a member's death to resume their benefit.

Fiscal Impact: There is a cost, but the LEOFF 1 Plan is in surplus, so there is no impact on contribution rates.

Status: Governor signed on April 15th as Chapter 62 Laws of 2005.

Effective Date: 90 days after session (July 24, 2005).

4. **HB 1325 - Interruptive Military Service (Conway)**

This bill impacts the Public Employees' Retirement System (PERS), the School Employees' Retirement System (SERS), the Teachers' Retirement System (TRS), the Law Enforcement Officers' and Firefighters' Retirement System Plan 2 (LEOFF 2), the Washington State Patrol Retirement System (WSPRS), and the Public Safety Employees' Retirement System (PSERS) by authorizing interruptive military service credit for employees who cannot return to public employment due to death or total disability while serving in the uniformed services. Service credit may be purchased by a disabled member or survivor(s) of a deceased member for interruptive military service credit up to the date of death or disability.

Fiscal Impact: Not sufficient to increase contribution rates.

Status: Governor signed on April 15th as Chapter 64 Laws of 2005.

Effective Date: 90 days after session (July 24, 2005).

5. **HB 1327 - TRS Service Credit Purchase (Alexander)**

This bill impacts TRS 2 and TRS 3 by allowing eligible members, at the time of retirement, to purchase up to five years of additional service credit. The service credit can be used to help offset the benefit reductions for early retirement.

Eligible members would include only members who are eligible for early retirement or alternate early retirement under the provisions of the system. Additional service credit purchased under this bill does not constitute membership service and, therefore, cannot be used to qualify for retirement.

A member purchasing additional service credit under this bill may pay the full actuarial cost of the service credit with a lump sum payment, eligible rollover, direct rollover, and/or trustee-to-trustee transfer from an eligible retirement plan (at the time of retirement).

Fiscal Impact: None.

Status: Governor signed on April 15th as Chapter 65 Laws of 2005.

Effective Date: July 1, 2006.

6. **HB 1328 - LEOFF 1 Disability Boards (Conway)**

This bill impacts LEOFF 1 by addressing jurisdiction, disability board membership and eligibility to vote for member representatives on the board. The legislation provides that the jurisdiction of the county disability boards applies to all members employed by or retired from an employer within the county and not employed by a city in which a disability board is established. It also clarifies that to serve on the county disability board, a fire fighter or law enforcement officer must be employed by or retired from an employer within the county and not be employed by or retired from a city in which a disability board is established. Those voting for employee representatives on the county disability board must be employed by or retired from an employer within the county and not employed by or retired from a city in which a disability board is established. Finally, the bill addresses the election of the firefighter and law enforcement officer positions on the board and adds the following new provisions: a) if there are no firefighters eligible to vote, a second eligible member representative shall be elected by the law enforcement officers eligible to vote, and b) if there are no law enforcement officers eligible to vote, a second member representative shall be elected by the fire fighters eligible to vote.

Fiscal Impact: None.

Status: Governor signed on April 15th as Chapter 66 Laws of 2005.

Effective Date: Immediately upon signing (April 15, 2005).

7. **HB 1329 - LEOFF 1 Survivor Benefits (Conway)**

This bill impacts LEOFF 1 by amending the plan provision relating to survivor benefits under RCW 41.26.164, which provides an optional reduced retirement allowance with survivor benefits to spouses that are ineligible for survivor benefits under other plan provisions. The bill changes one of the criteria for allowing a member to choose this retirement option. Under this legislation, the member may select the option as long as there is some portion of his or her retirement benefit

that is not subject to a property division pursuant to a domestic relations order. Currently, any division would defeat the member's ability to select this option.

Fiscal Impact: None.

Status: Governor signed on April 15th as Chapter 67 Laws of 2005.

Effective Date: Immediately upon signing (April 15, 2005).

8. **HB 1330 - Technical Corrections (Conway)**

This bill impacts TRS, PSERS, SERS, and PERS by making technical corrections to incorrect cross-references, inadvertent omissions of necessary references, and accidental duplication of statutory language. The bill also codifies current administrative practices, and repeals obsolete or unnecessary sections.

Fiscal Impact: None.

Status: Governor signed on May 9th as Chapter 327 Laws of 2005.

Effective Date: 90 days after session (July 24, 2005).

Non-SCPP Bills that Passed

1. **HB 1269 - Service Credit Purchase (LEOFF 2 Board - Conway)**

This bill impacts LEOFF 2 by permitting members who are eligible to retire to make a one-time purchase of up to five years of additional service credit. The cost of the additional service credit is the actuarial equivalent value of the resulting increase in the member's benefit. A member may pay all or part of the cost with a lump sum payment, eligible rollover, direct rollover, or trustee-to-trustee transfer from an eligible retirement plan. The bill directs the department of retirement systems to promulgate rules to ensure IRS compliance. The effective date is July 1, 2006.

Fiscal Impact: None.

Status: Governor signed on April 12th as Chapter 21 Laws of 2005.

Effective Date: July 1, 2006.

2. **SB 5135 - Volunteer Fire Relief Fund Contributions (Kastama)**

This bill impacts the Volunteer Fire Fighters' and Reserve Officers' Relief and Pension Fund by clarifying the definition of "fire fighter" and "emergency worker" so as to prevent part-time PERS firefighters and emergency workers from earning both a PERS benefit and a Volunteer Fire benefit for the same job. The bill also increases the annual fee paid by each municipal corporation for the purpose of affording relief (or medical) benefits for volunteer fire fighters from ten dollars to thirty dollars per member. Finally, the bill allows the State Board for Volunteer Fire Fighters and Reserve Officers to seek recovery from a third party if a volunteer is injured.

Fiscal Impact: Local employer contributions will increase to thirty dollars per member, but there is no impact on state funding.

Status: Governor signed on April 13th as Chapter 37 Laws of 2005.

Effective Date: 90 days after session (July 24, 2005).

3. **SSB 5497 - Terminally Ill Members (Delvin)**

This bill impacts PERS 2/3, SERS 2/3, and TRS 2/3 by allowing members who are diagnosed with a terminal illness to remove themselves from their retirement plan. Such members must be examined by or under the direction of a medical advisor who must certify in writing that they suffer from a terminal illness and have a life expectancy of five years or less. The director of the retirement systems must then concur in the recommendation of the medical advisor. Such terminally ill members would not make contributions nor earn service credit.

The substitute bill removed language from sections 5 and 6 of the original bill that would have allowed a member to receive a refund of contributions while still employed – an in-service distribution.

Fiscal Impact: None.

Status: Governor signed on April 21st as Chapter 131 Laws of 2005.

Effective Date: Immediately upon signing (April 21, 2005).

4. **SHB 1938 - PERS 1 Retire on Active Military Service (Hinkle)**

This bill impacts PERS 1 by allowing members who have completed 25 years of creditable service, who would have otherwise become eligible for retirement while serving honorably in the armed forces, to receive service credit for such honorable military service without returning to covered employment. The bill also updates the definition of "veteran" to include Operation Noble Eagle, Operation Enduring Freedom and Operation Iraqi Freedom.

Fiscal Impact: Insufficient to impact contribution rates.

Status: Governor signed on May 3rd as Chapter 247 Laws of 2005.

Effective Date: Immediately upon signing (May 3, 2005).

5. **SSB 5112 - Veterans Afghanistan and Persian Gulf War (Shin)**

This bill impacts PERS 1 by amending the definition of "veteran" in RCW 41.04.005 for the purpose of determining PERS 1 military service credit. The amended definition adds the following persons within the definition: (a) persons who served in the Persian Gulf combat zone as part of Operation Iraqi Freedom, and (b) persons who served in southern or central Asia as part of Operation Enduring Freedom.

Fiscal Impact: None.

Status: Governor signed on May 3rd as Chapter 255 Laws of 2005.

Effective Date: 90 days after session (July 24, 2005).

6. **SB 5522 - Service Credit Purchase, Injury (Franklin)**

This bill impacts all plans in PERS by allowing members who are injured while acting in the course of employment to receive up to two years of lost service credit. A member seeking lost service credit must apply for re-employment within ninety days of when the member is able to return to work and benefits under Title 51 (Industrial Insurance) have ceased. The member must also make the required employee contributions within five years of resumption of service or prior to retirement, whichever comes sooner. If the member does not restore contributions within that time frame, the member must pay the actuarial value of the resulting increase in the benefit.

Fiscal Impact: None.

Status: Governor signed on May 10th as Chapter 363 Laws of 2005.

Effective Date: 90 days after session (July 24, 2005).

7. **ESHB 1044 - Pension Funding (Sommers)**

This bill impacts the PERS 1, PERS 3, TRS 1, TRS 3, and SERS 3 by delaying recognition of the cost of future gain-sharing benefits until the 2007-09 biennium.

The bill continues the suspension of payments to the PERS 1 and TRS 1 unfunded actuarial accrued liability (UAAL) for the 2005-07 biennium. This suspension impacts the contribution rates for PERS, TRS, SERS, and Public Safety Employees' Retirement System (PSERS) employers.

This bill also impacts PERS, SERS and TRS by establishing a 4-year phase-in of employer and Plan 2 member rates for the 2005-07 and 2007-09 biennia. The rates under the phase-in are lower in the 2005-07 biennium than required by the 2003 actuarial valuation and will be higher in the 2007-09 biennium than required by the projected 2005 actuarial valuation.

The bill specifies the following schedule of contribution rates for the 2005-2007 biennium (the first two years of the 4-year phase-in schedule):

Contribution Year*	PERS		TRS		SERS	
	Employer**	Plan 2 Member	Employer**	Plan 2 Member	Employer**	Plan 2 Member
2005-2006	2.44%	2.25%	2.92%	2.48%	2.94%	2.75%
2006-2007	3.69%	3.50%	3.44%	3.00%	3.94%	3.75%

*PERS rates effective 7/1-6/30, TRS & SERS rates effective 9/1-8/31.

** Employer rates include administrative expense rate of 0.19%.

By September 30, 2006, the Pension Funding Council is required to adopt contribution rates to complete the 4-year phase-in schedule, adjusted for any material changes in benefits or actuarial assumptions, methods or experience.

The bill also changes the statutory policy goal that long-term contribution rates be “predictable” and a “relatively constant” proportion of state budgets, to a standard requiring that they be a relatively “predictable” proportion of state budgets.

Lastly, the bill calls for the Select Committee on Pension Policy (SCPP) to study the options available to the legislature for addressing the liability associated with future gain-sharing benefits. The SCPP shall report the findings and recommendations of its study to the legislative fiscal committees by no later than December 15, 2005.

Fiscal Impact: Saves all employers \$892.9 million in 2005-07, costs all employers an additional \$219.7 million in 2007-09, and costs all employers an additional \$904.4 million through 2030.

Status: Governor signed on May 10th as Chapter 370 Laws of 2005. This bill was necessary to implement the budget.

Effective Date: 90 days after session (July 24, 2005) - except sections 1, 3, and 6, which become effective July 1, 2005; and sections 2 and 4, which become effective July 1, 2006.

8. **HB 1270 - Re-employment (LEOFF 2 Board - Curtis)**

This bill impacts LEOFF 2 by amending the so-called "estoppel rule" within the General Provisions Chapter of Title 41 to create an exception for those receiving a LEOFF 2 retirement allowance. This exception would allow those who continue in public employment following retirement from LEOFF 2 to establish membership in any of the state retirement systems administered by the Department of Retirement Systems. (Note: LEOFF 2 retirees are still subject to benefit suspension under RCW 41.26.500.)

Fiscal Impact: None.

Status: Governor signed on May 10th as Chapter 372 Laws of 2005, Partial Veto (vetoed emergency clause.)

Effective Date: 90 days after session (July 24, 2005) -- except section 2 which becomes effective July 1, 2006.

9. **SSB 5615 - Disability (LEOFF 2 Board - Parlette)**

This bill impacts LEOFF 2 by removing the actuarial reduction for a duty disability benefit, and the duty disability benefit is no longer limited to the value of the non-duty disability benefit.

Fiscal Impact: Total employer costs of \$4.9 million in 2005-07, \$5.9 million in 2007-09, and \$106.8 million through 2030.

Status: Governor signed on May 13th as Chapter 451 Laws of 2005.

Effective Date: Immediately upon signing (May 13th, 2005).

10. **SHB 1936 - EMTs into LEOFF 2 (Upthegrove)**

This bill impacts LEOFF 2 and PERS by giving PERS members employed on a full-time fully compensated basis as emergency medical technicians the option of remaining in PERS, joining LEOFF 2 and becoming dual members of PERS and LEOFF 2, or joining LEOFF 2 and transferring their service credit earned as emergency medical technicians into LEOFF 2.

To move eligible past service credit from PERS to LEOFF 2, an employee is required to make a payment to the retirement system to make up for the difference in contributions, plus interest, that the employee would have made had they been in LEOFF 2 for the period of PERS service that is eligible for transfer. This payment must be made no later than 5 years from the effective date of the member's election to transfer service. The employee's PERS contributions plus interest, and an equal amount of employer contributions, would be moved from PERS to LEOFF 2 upon completion of the employee's required differential payment, but no earlier than 5 years after the effective date of the member's election to transfer.

When members elect to transfer their PERS service credit into LEOFF, their employers will be responsible to pay an amount sufficient to ensure that the contribution level to LEOFF 2 will not increase due to the transfer of the past service. The employers payments must be made within 5 years of the completion of the employees' payments.

Fiscal Impact: Total employer cost of \$0.4 million in 2005-07, \$0.4 million in 2007-09, and \$9.4 million through 2030.

Status: Governor signed on May 13th as Chapter 459 Laws of 2005.

Effective Date: 90 days after session (July 24, 2005).

SCPP Bills that did not Pass

1. **HB 1317 / SB 5341 - WSP Rate Stability (Conway, Fraser)**

This bill would have impacted the Washington State Patrol Retirement System (WSPRS) by changing the contribution rate setting formula. The bill would have established member contribution rates at 1/3 of the total cost of the system, or 7 percent, whichever is less. However, in no event would the member rate be less than 2 percent. The employer would have then been responsible for paying the remaining costs of the system.

Fiscal Impact: Total employer cost of \$2.4 million in 2005-07, \$4.8 million in 2007-09, and \$123.3 million through 2030.

Status: Did not move from Appropriations Committee, did not receive a hearing in Ways and Means.

Effective Date: July 1, 2005.

2. **HB 1318 - Age 70½; Opt in / Opt out (Crouse)**

This bill would have impacted PERS 2/3, SERS 2/3, and TRS 2/3 by allowing members who retire on or after age seventy and one-half, and who fulfill the 1 month separation requirement, to return to work without restriction. Upon receipt of retirement benefits such an individual would cease active membership and no longer make contributions nor receive service credit. Current state elected and appointed officials would have been exempt from this act unless they left elected office, or were re-elected after the effective date of the act.

The bill would have allowed state elective officials the option to continue or resume membership, and if otherwise eligible, retire and receive their retirement allowance at the beginning of each term of office. A state elected official member who chose to end membership at the beginning of a term of office would have neither made contributions nor earned service credit for the duration of that term.

Fiscal Impact: Total employer cost of \$4.6 million in 2005-07, \$5.5 million in 2007-09, and \$82.8 million through 2030.

Status: Did not move from Appropriations Committee.

Effective Date: 90 days after session.

3. **SHB 1320 - Plan 3 Vesting (Alexander)**

This bill would have impacted TRS 3, SERS 3, and PERS 3 by lowering the vesting period for the defined benefit portion of the plans. Plan 3 members would have been vested after ten years of service, or after five years if 12 months of that service was earned after attaining age 44. In other words, this bill would have lowered the defined benefit vesting period from ten years to five years for those members who were age 45 and older.

Fiscal Impact: Total employer cost of \$3.8 million in 2005-07, \$5.0 million in 2007-09, and \$166.6 million through 2030.

Status: Passed House, by resolution returned to House Rules for 3rd reading.

Effective Date: 90 days after session.

4. **SB 5517 - Plan 3 Vesting (Doumit)**

This bill would have impacted TRS 3, SERS 3, and PERS 3 by lowering the vesting period for the defined benefit portion of the plans from ten years of service to five years of service.

Fiscal Impact: Total employer cost of \$8.1 million in 2005-07, \$10.7 million in 2007-09, and \$368.2 million through 2030.

Status: Did not receive a hearing in Ways and Means.

Effective Date: 90 days after session.

5. **HB 1322 / SB 5489 - TRS Out-of-State Service Credit (Fromhold, Regala)**

This bill would have impacted TRS 2/3 by allowing members to make a one-time purchase of up to seven years of service credit for public education experience (state and federal) outside the Washington State Retirement System. The public education experience claimed must have been covered by a governmental retirement or pension plan, and the member must not have been receiving a benefit or eligible to receive an unreduced retirement benefit that included the service to be purchased. To take advantage of this provision, a member must have had at least five and less than ten years of service credit in TRS. The purchase could not have resulted in the purchase of service credit that was greater than the member's total years of creditable service in the retirement system.

Fiscal Impact: Total employer cost of \$4.5 million in 2005-07, \$5.1 million in 2007-09, and \$130.4 million through 2030.

Status: Did not move from Appropriations, did not receive a hearing in Ways and Means.

Effective Date: January 1, 2006.

6. **HB 1324 / SB 5246 - Pension Funding and Gain-sharing (Fromhold, Fraser)**

This bill was a combination of three SCPP Legislative proposals – the Deferred Rate Increases, Plan 1 COLA/Gain-sharing and Plan 3 Gain-sharing.

Deferred Rate Increases. These sections of the bill would have impacted the PERS, TRS, SERS, and PSERS by establishing required basic employer and state contribution rates and required Plan 2 member contribution rates. The four-year schedule of annual contribution rates would have differed from the normal biennial process for setting rates and departed from the usual formula for allocating contributions among the plans. For PERS and SERS, the rates would have been lower in the first two years than required by the 2003 actuarial valuation and higher in the second two years than required by the projected 2005 actuarial valuation. For TRS, the rates would have been lower in the first year of each biennium and higher in the second year. The schedule would have allowed for a gradual phase-in of required increases in contribution rates.

The bill would have established minimum basic employer and state contribution rates and required Plan 2 member contribution rates to promote rate stability over time. These minimum rates would have functioned as a "floor" beneath which contribution rates would not drop.

The pension funding council would have been required to review the appropriateness of these rates and recommend to the legislature any adjustments as may be needed due to material changes in benefits or actuarial assumptions, methods or experience.

Plan 1 COLA/Gain-sharing. These sections of the bill would have impacted the Public Employees' Retirement System Plan 1 (PERS 1) and the Teachers' Retirement System Plan 1 (TRS 1) by:

- Enhancing the annual increase amount by 20 cents. This would have raised the July 1, 2005 amount from \$1.25 to \$1.45.
- Establishing a \$1,000 alternative minimum benefit for members with 20 years of service who have been retired 25 years.
- Establishing a 3% annual escalator for both \$1,000 alternative minimum benefit provisions.
- Amending Uniform COLA eligibility requirements to include all retirees who have been retired one year and will have attained age 66 by December 31st of the calendar year in which the increase is given.
- Repealing Plan 1 gain-sharing.

Plan 3 Gain-sharing. These sections of the bill would have eliminated Plan 3 gain-sharing for TRS and PERS. Existing Plan 3 gain-sharing provisions would have been replaced with a rule of 90 that uses an age 60 minimum, and that had unreduced benefits for prospective service only in TRS 2/3, SERS 2/3 and PERS 2/3. In addition, Plan 2/3 choice would have been added for new hires in TRS and SERS (same structure for choice as in PERS). The legislation would have amended Plan 3 gain-sharing for SERS by providing an annual contribution of \$10 times years of service to the defined contribution accounts of existing SERS 3 members – the \$10 amount would increase by 3% per year. Future SERS 3 members would not have been eligible for this annual contribution.

The trade-off package would have removed the Plan 3 provision that allows members to change their employee contribution rate by notifying their employer in writing during the month of January. The bill also would have amended the section of the actuarial funding chapter addressing employee contributions in order to make it consistent with the changes to gain-sharing.

Fiscal Impact: Total employer savings of \$458.6 million in 2005-07, total employer cost of \$94.0 million in 2007-09, and savings of \$4,495.7 million through 2030.

Status: Did not move from Appropriations, did not receive a hearing in Ways and Means.

Effective Date: July 1, 2005.

7. **SB 5244 - Post-retirement Employment (Fraser)**

This bill would have impacted TRS 1 and PERS 1 by adding the same general hiring qualifications to TRS 1 as currently exist for PERS 1 retirees who seek to work in excess of 867 hours annually. Those would have included a prohibition of any written or verbal agreement to return to work with the same employer. Under the legislation, a TRS 1 separation from service that was pursuant to such an agreement would have been nullified and would have constituted a potential misdemeanor violation of the statute entitled "Penalties for False Statements." Further, TRS 1 employers would have been subject to certain record-keeping requirements when hiring retirees, including documentation of the need to hire the retirees and records of the actual hiring process. The language for these requirements largely tracks that of the existing PERS 1 statute.

The proposed legislation also would have required both PERS and TRS Plan 1 employers to hire retirees pursuant to a written policy. In the proposed legislation, the length of separation requirement (between retirement and re-employment) for working beyond 867 hours would have been specified for TRS 1 as 45 days (rather than the 90 days already in effect for PERS 1.) Also, this bill would have created a new cumulative total limit for TRS 1 of 3,165 hours worked over 867 (from no cumulative total limit), and a new cumulative total limit for PERS 1 of 3,165 hours worked over 867 (from a 1900-hour cumulative total limit). The new cumulative limits would have started anew as of the effective date of the bill, which would have been January 1, 2006. Finally, the contractual right to post-retirement employment in TRS 1 would have been expanded from 525 hours per year to 867 hours.

Fiscal Impact: Indeterminate.

Status: Did not pass out of Ways and Means.

Effective Date: January 1, 2006.

8. **SHB 1326 - Post-retirement Employment (Conway)**

This bill would have impacted TRS 1 and PERS 1 by adding the same general hiring qualifications to TRS 1 as currently exist for PERS 1 retirees who seek to work in excess of 867 hours annually. Those would have included a prohibition of any written or verbal agreement to return to work with the same employer. Under the legislation, a TRS 1 separation from service that was pursuant to such an agreement would

have been nullified and would have constituted a potential misdemeanor violation of the statute entitled "Penalties for False Statements." Further, TRS 1 employers would have been subject to certain record-keeping requirements when hiring retirees, including documentation of the need to hire the retirees and records of the actual hiring process. The language for these requirements largely tracks that of the existing PERS 1 statute.

The proposed legislation also would have required both PERS and TRS Plan 1 employers to hire retirees pursuant to a written policy. In the proposed legislation, the length of separation requirement (between retirement and re-employment) for working beyond 867 hours would have been specified for TRS 1 as 45 days (rather than the 90 days already in effect for PERS 1.) Also, this bill would have created a new cumulative total limit for TRS 1 of 1,900 hours worked over 867 (from no cumulative total limit), and a new cumulative total limit for PERS 1 of 3,165 hours worked over 867 (from a 1900-hour cumulative total limit). The new cumulative limits would have started anew as of the effective date of the bill, which would have been January 1, 2006. Finally, the contractual right to post-retirement employment in TRS 1 would have been expanded from 525 hours per year to 867 hours.

Fiscal Impact: Indeterminate.

Status: Passed the House, by resolution returned to House Rules for 3rd reading.

Effective Date: January 1, 2006.

Non-SCPP Bills that did not Pass

1. **HB 1043 - Gain-Sharing (OFM - Sommers)**

This bill would have impacted the PERS, TRS and SERS by making gain-sharing distributions discretionary with the legislature. The bill also would have codified a funding approach for gain-sharing that delayed recognition of gain-sharing liabilities until after they occurred. (All other material liabilities of the pension systems are pre-funded.) The proposed legislation would have provided that for benefit increases resulting from gain-sharing, the basic contribution rate shall include the cost of the increases beginning with the next actuarial valuation after the effective date of the increase.

Fiscal Impact: Total employer savings of \$340 million in 2005-07, total employer savings of \$387.6 million in 2007-09, and total employer costs of \$1,998.4 million through 2030.

Status: Did not pass out of the Appropriations Committee.

Effective Date: July 1, 2005.

2. **HB 1520 / SB 5520 - Plan 2 Post-Employment PEBB (Cody, Keiser)**

This bill would have impacted PERS 2, SERS 2, TRS 2 by allowing members who separated and were at least age 55 and had at least 10 years of service to continue to participate in their employers' insurance plans and contracts if that participation was selected immediately upon separation from employment. Eligibility for participation would have been prospective for SERS 2 and TRS 2 members who separated, but retroactive for PERS 2 members who had separated since March 1, 2002.

Fiscal Impact: No pension fund impact.

Status: Did not receive a hearing in either Appropriations or Ways and means

Effective Date: 90 days after session

3. **HB 1522 / SB 5521 - Military Service Credit (Hunt, Rasmussen)**

This bill would have impacted PERS 2, SERS 2, and TRS 2 by deleting existing provisions concerning interruptive military service credit and replacing them with the same provisions for both interruptive and prior military service credit as are currently found in PERS 1. In addition, a provision would have been added preventing TRS 2, SERS 2, and PERS 2 members from receiving military service credit if they were receiving full military retirement benefits.

Fiscal Impact: Total employer cost of \$14 million in 2005-07, \$14.7 million in 2007-09, and \$181 million through 2030.

Status: Was forwarded from Senate Government Operations & Elections Committee, did not receive a hearing in Ways and Means, and did not move from Appropriations.

Effective Date: 90 days after session

4. **HB 1564 - WSP Mandatory Retirement Age (Lovick)**

This bill would have impacted the Washington State Patrol Retirement System (WSPRS) by increasing the mandatory retirement age from sixty to sixty-one. Members who reached age sixty-one would have been retired on the first day of the calendar month next succeeding that in which said member had attained the age of sixty. The age 61 retirement age would not have applied to the Chief of the Washington State Patrol.

Fiscal Impact: Total employer savings of \$0.1 million in 2005-07, \$0.1 million in 2007-09, and \$1.9 million through 2030.

Status: Was not forwarded from Appropriations.

Effective Date: 90 days after session

5. **HB 1594 - SIB Growing Business Fund (Linville)**

This bill would have impacted the State Investment Board (SIB), whose members are trustees of the assets of public retirement funds. This bill would have mandated the creation of a \$500 million account to be maintained separately from other money invested by the board. Investments from this account would have been made in start-up and expanding businesses based in Washington. While assets would have been invested according to existing primary objectives and criteria, the bill would have required that for these funds, assets would have been diversified across different industry sectors and regions of the state using specified priorities for start-up and expanding Washington-based businesses.

In selecting one or more managers for investing funds within the separate account the Board would have been required to consider the company's physical and employment presence in Washington as well as a demonstrable ability to find investment opportunities in communities throughout the state. Additionally, the SIB or its designees would have been required to include in their statement of investment principles the extent, if at all, to which social, environmental, or ethical considerations were taken into account in their selection, retention, and realization of investments; and their policy, if any, in relations to the exercise of rights attaching to investments (including voting rights).

Fiscal Impact: Indeterminate. The following costs illustrate a 0.10% reduction in the assumed rate of annual investment return from 8.00% to 7.9%: total employer cost of \$96.8 million in 2005-07, \$108.8 million in 2007-09, and \$1,715.5 million through 2030.

Status: Was not forwarded from the Economic Development, Agriculture & Trade Committee.

Effective Date: 90 days after session

6. **HB 1843/SB 5695 - TRS 1 Prior Military Service Credit (Hunt, Sheldon)**

This bill would have allowed members of TRS 1 to receive service credit for service in the armed forces that was performed prior to retirement system membership under the following conditions: the member must have completed 25 years of creditable service, the total number of military service credit from all sources does not exceed 5 years, the member pays member contributions as determined by the director, the member meets the definition of veteran in RCW 41.04.005, and the member is not receiving full military retirement benefits.

Fiscal Impact: None, members pay full actuarial cost of the benefit.

Status: Was not forwarded from the Appropriations Committee, did not receive a hearing in Ways and Means.

Effective Date: 90 days after session

7. **SSB 5286 - Post-retirement Employment (Kastama)**

This bill would have impacted PERS 1 and TRS 1 by amending the statutes relating to post-retirement employment. The bill would have done the following:

- Limited TRS 1 post-retirement employment for retirees with one month of separation to 867 hours in a school year.
- Allowed a TRS 1 retiree to work up to 1,500 hours in a school year if the member separates for one and one-half calendar months and,
 - is hired into a special education, science, or mathematics position for which the school board has documented a justifiable need to hire a retiree,
 - is hired through the established process for the position with the approval of the school board or the prospective employer; and

- the employer retains records of the hiring procedures in the event of an audit.
- Provided the superintendent of public instruction a process to recommend to the legislature a list of employment positions to be considered for inclusion on the list of those with a documented justifiable need for which a retiree may be hired.
- Allowed TRS 1 members currently employed under post-retirement agreements to continue in those agreements until December 31, 2005.
- Allowed a PERS 1 retiree to work up to 1,500 hours in a calendar year if the member separates for three calendar months and is hired into an actuary, actuarial associate, correctional health specialist, dentist, pharmacist, physician, public health advisor, radiation health physicist, or radiology technician position.
- Provided PERS employers a process to recommend to the legislature a list of employment positions to be considered for inclusion on the list of those with a documented justifiable need for which a retiree may be hired.
- Removed the 1,900 hour cumulative limit beyond the existing 867 hour annual threshold in PERS 1.
- Allowed PERS 1 members currently employed under post-retirement agreements to continue in those agreements until December 31, 2005.
- Required that all jobs into which a retiree may be rehired be advertized publicly.

The bill would have required that all jobs into which a retiree may be rehired be advertized publicly.

Fiscal Impact: Indeterminate.

Status: Forwarded from Ways & Means, passed to Rules for 2nd reading -
- Senate Rules "X" file.

Effective Date: Immediately upon signing.

8. **SSB 5818 - Transfer DNR Law Enforcement to Fish & Wildlife (Doumit)**

The original bill would have transferred Department of Natural Resources' natural resource investigators to the Department of Fish and Wildlife. The substitute bill would have directed the Department of Natural Resources' (DNR) and the Department of Fish and Wildlife (F&W) to

present a transition plan to the appropriate legislative committees not later than December 31, 2005 that would have consolidated the natural resource investigators of DNR with the law enforcement program of F&W. If such a plan were implemented in the future, it could conceivably impact Plan 2 of the Law Enforcement Officers and Firefighters (LEOFF) Retirement System.

Fiscal Impact: None.

Status: Forwarded from the Senate Natural Resources, Ocean & Recreation Committee, passed to Rules for 2nd reading -- Senate Rules "X" file.

Effective Date: 90 days after session.

9. **SB 5866 - Plan 1 Member Contributions After 60% Cap (Delvin)**

This bill would have impacted TRS 1 and PERS 1 by expanding from six months to twelve months the period in which members with 30 years of service may elect to freeze their average final compensation and have future employee contributions returned in a lump sum at retirement with 7.5 percent interest.

Fiscal Impact: Insufficient to increase rates.

Status: Forwarded from Ways & Means, placed on 2nd reading in Rules -- Senate Rules "X" file.

Effective Date: Immediately upon signing.

10. **HB 1873 / SB 5901 - LEOFF 1 60% Cap (Simpson, Delvin)**

This bill would have impacted LEOFF 1 by removing the provision that limits the retirement allowance for those who became members on or after February 19, 1974 to 60% of their final average salary.

Fiscal Impact: There is a cost, but the LEOFF 1 Plan is in surplus, so there is no impact on contribution rates.

Status: Did not receive a hearing in either Appropriations or Ways and Means.

Effective Date: 90 days after session.

11. **HB 2251 - Active Military (Green)**

For an employee called to "federal service of the United States" for more than thirty days, this bill would have required the state to pay 50% of the difference between the employee's normal state pay and federal pay and allowances (if the federal pay is less than the state pay). The bill further would have provided that the employee shall continue to receive "any pension and retirement benefits he or she was receiving prior to being called to federal service as long as he or she continued to make any necessary employee contributions to those benefits that he or she would have been making if still regularly employed by the state." Payments and benefits would have been available for such service for a maximum of four years.

Fiscal Impact: None.

Status: Referred to State Government Operations & Accountability Committee -- did not receive a hearing.

Effective Date: 90 days after session.

12. **SB 5792 - Post-retirement Employment (Honeyford)**

This bill would have impacted TRS 1 and PERS1 by eliminating the provisions allowing retirees to engage in post-retirement employment in excess of 867 hours and up to 1,500 hours per year without suspension of their pension benefits. Existing employment agreements under the previous law would have continued until December 31, 2005.

Fiscal Impact: Indeterminate

Status: Did not move from Ways and Means committee.

Effective Date: Immediately upon passage.

13. **SB 6085 - Plan 1 UAAL Payments (Hewitt, Honeyford)**

This bill would have impacted the basic state and employer contribution rates ("basic rates") for the unfunded actuarial accrued liability (UAAL) in PERS 1 and TRS 1. The bill would have forbidden the suspension of those portions of the basic rates that are necessary to pay for the UAAL until 2009. In 2009, minimum basic contribution rate floors would have been established for the affected retirement systems which would remain effective until the actuarial value of assets equals one-hundred twenty-five percent of the UAAL or June 30, 2024, whichever came first.

Fiscal Impact: None, any additional contributions due to a floor would be offset by reduced contributions in future years. In the long term, a minimum basic contribution rate floor would result in no additional cost and possibly a savings.

Status: Did not receive a hearing.

Effective Date: Immediately in regards to UAAL payments – July 1, 2009 for contribution rate floors.

14. **SSB 6101 - Gain-sharing / Contribution Rates (Prentice)**

This bill would have impacted PERS 1, PERS 3, TRS 1, TRS 3, and SERS 3 by making gain-sharing distributions discretionary with the legislature. The bill would have codified a funding approach for gain-sharing that delayed recognition of gain-sharing liabilities until after they occur. (All other material liabilities of the pension systems are pre-funded.) The proposed legislation would have provided that for benefit increases resulting from gain-sharing, the basic contribution rate would include the cost of the increases beginning with the next actuarial valuation after the effective date of the increase.

The bill would have continued the suspension of payments to the PERS 1 and TRS 1 unfunded actuarial accrued liability (UAAL) for the 2005-07 biennium. This suspension would have impacted the contribution rates for PERS, TRS, SERS, and Public Safety Employees' Retirement System (PSERS) employers.

This bill would have also impacted PERS 2/3, SERS 2/3, and TRS 2/3 by establishing the following schedule of contribution rates for the 2005-07 biennium:

	Plan 2/3 Employer *		Plan 2 Member	
	7-1-05	9-1-05	7-1-05	9-1-05
PERS	3.57%		3.38%	
SERS		3.70%		3.51%
TRS		2.93%		2.48%

* Includes administrative expense rate of 0.19%.

The bill would have changed the statutory policy goal that long-term contribution rates be “predictable” and a “relatively constant” proportion of state budgets, to a standard requiring that they be a relatively “predictable” proportion of state budgets.

Fiscal Impact: Total employer savings of \$826.7 million in 2005-07, total employer savings of \$311.2 million in 2007-09, and a total employer cost of \$2,590.7 through 2030.

Status: Forwarded from Ways & Means -- passed to Rules for 2nd reading.

Effective Date: Effective July 1, 2005, except for sections 7, 9, and 11 which take effect July 1, 2006.

15. **SB 6127 - Post-retirement Employment / 60% Cap (Fraser)**

This bill would have impacted PERS 1 and TRS 1 by increasing the maximum retirement allowance members may receive from 60 percent of average final compensation (AFC) to 70 percent of AFC. The bill also limits members of PERS 1 and TRS 1 to 867 hours of post retirement employment before their benefit is suspended for the calendar year or school year.

Fiscal Impact: Total employer cost of \$47.3 million in 2005-07, \$55.6 million in 2007-09, and \$786.6 million through 2030.

Status: Did not receive a hearing.

Effective Date: July 1, 2005, except for section 6 of the act which would take effect July 1, 2006 -- section 5 of the act would then expire.

Select Committee on Pension Policy

P.O. Box 40914
Olympia, WA 98504-0914
actuary_st@leg.wa.gov

June 14, 2005

TO: Executive Committee Members

FROM: Matt Smith, State Actuary

RE: **PROPOSED 2005 WORK PLAN**

The Proposed 2005 Work Plan in your packet is presented as a starting point for discussing the 2005 Interim Work Plan. For your reference, a complete list of all proposed 2005 Interim Issues is attached (as of the date of this memo). The draft meeting schedule includes most of the suggested items, although it consolidates some items and deletes others.

Overlying staff's obligations to the SSCP in the 2005 interim is the independent obligation of the OSA to respond to the legislature's 2005 study mandate regarding the fiscal impact of the post-retirement employment program. The proposed work plan assumes that the SSCP will conduct its own separate policy study of this issue during the 2005 interim. The studies, while independent, would take place during roughly the same period of time. Please keep this in mind as you allocate staff resources for the remainder of 2005.

From a staffing perspective, the proposed plan reflects not only the "carrying capacity" of the staff, but also the time normally required between background briefings and the development of options and costs by the actuarial pricing team. Items have been scheduled in a way that would spread out the impacts on the pricing team and also balance the assignments to the analysts. Still, the proposed plan may not fully reflect the priorities of the Executive Committee. To that end, Executive Committee members should feel free to modify the proposed plan by substituting its own priorities. Staff would strongly encourage Executive Committee members, however, not to add additional items but rather to focus on substituting its own priorities, as this approach will help to assure a manageable schedule that allows for adequate staff attention to all elements of the work plan.

Thank you, and the OSA looks forward to working with all of you during the 2005 interim!

Elaine M. Banks
TRS Retirees

Lois Clement
PERS Retirees

Representative Steve Conway*

Representative Larry Crouse

Senator Karen Fraser*

Representative Bill Fromhold

Leland A. Goeke*
TRS and SERS Employers

Robert Keller
PERS Actives

Sandy Matheson, Director*
Department of Retirement Systems

Corky Mattingly
PERS Employers

Doug Miller
PERS Employers

Victor Moore, Director
Office of Financial Management

Senator Joyce Mulliken

Representative Toby Nixon

Glenn Olson
PERS Employers

Diane Rae
TRS Actives

Senator Debbie Regala

J. Pat Thompson
PERS Actives

David Westberg*
SERS Actives

*** Executive Committee**

Select Committee on Pension Policy

Proposed 2005 Work Plan

(June 9, 2005)

June 21, 2005

Election of officers
Rules of procedure
2005 meeting dates
Session update
2005 work plan
2005 mandatory studies - background

October Meeting

DRS study proposal - subgroup report
Disability retirement - options
Service credit purchases/transfers - options
Plan 2/3 VEBA and PEBB eligibility - background/options
Accounting for postretirement medical benefits - background

July Meeting

LEOFF 1 benefit cap - background/options
Postretirement employment - options
Plan 1 Unfunded Liability - background/options
PSERS eligibility - background

November Meeting

OSA retire-rehire study - report
Extended school year issues - subgroup report
2004 actuarial valuation report
2006 legislative proposals

August Meeting

USERRA compliance update - background
Retirement governance - background
Disability retirement - background
Gain-sharing study - options

December Meeting

2006 legislative proposals

September Meeting

Judges benefit multiplier - background/options
Service credit purchases/transfers - background
Retirement governance - options
PSERS eligibility - options

Subgroups/Subcommittees:

DRS study proposal - subgroup proposed
Extended school year issues - subgroup appointed in 2004
Public Safety subcommittee - requested by Washington State Patrol Troopers Association

Select Committee on Pension Policy

2005 Interim Issues

(May 20, 2005)

Mandatory:

SCPP Study Gain-Sharing (ESHB 1044)

OSA Study Retire-Rehire; SCPP and Fiscal Committees Receive Report

Recommended by 2004 Executive Committee:

1. Retirement Governance
2. Extended School Year Issues (Subgroup appointees: Banks, Goeke, Matheson, and Rae)
3. King County Paramedics (*Note: This item was addressed in the 2005 legislative session by SHB 1936/SB 5900.*)
4. First Class Cities Service Credit Transfer
5. LEOFF 1 Benefit Cap
6. As Earned/As Paid Reporting (DRS Study Proposal)

Requests for 2005:

1. Post-retirement Employment (remove hours cap; PERS/TRS parity)
2. Service Credit Purchases (ability to purchase service credit for time as a port commissioner, for out-of-state service as a teacher, and for "air time" at normal retirement)
3. PSERS Coverage
4. Plan 2/3 Choice (option for Plan 3 members to return to Plan 2)

5. Parity between PERS 1 and PERS Plans 2/3 (with regard to military service credit)
6. Update Plans for USERRA Compliance
7. Disability Retirement (remove the actuarial reduction)
8. Sick Leave Cash-Out for Term-Vested Members of Plan 3 (VEBA eligibility)
9. "Pensions 101"
10. Judges Benefit Multiplier
11. Plan 1 Unfunded Liability

2005 SCPP Legislation *(that did not pass)*

1. Age 70½; Opt In/Opt Out
2. Plan 3 Vesting
3. Pension Funding and Gain-Sharing ("combo bill")
4. Post-Retirement Employment
5. TRS Out-of-State Service Credit
6. Washington State Patrol Rate Stability

SCPP Priorities from 2004 Orientation *(in order of priority)*

1. Rate-Setting
2. Balanced Long-Term Management
3. Age 65 Retirement
4. Purchasing Power



Gain-sharing

Robert Wm. Baker
Senior Research Analyst

Select Committee on Pension Policy
June 21, 2005

Gain-sharing

Gain-sharing is a method of providing periodic retirement benefit enhancements based on the “extraordinary” investment performance of retirement plan assets.

Extraordinary Investment Gains

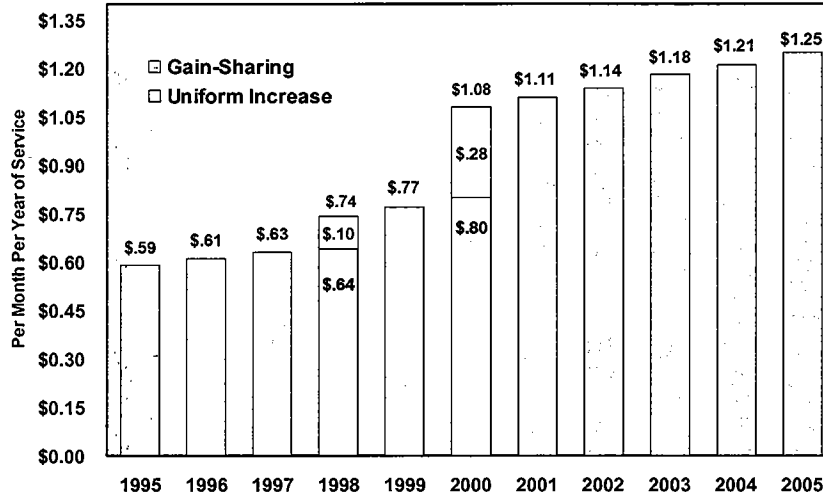
... occur when the compound average of investment returns on pension fund assets exceeds 10% for the previous four state fiscal years.

Distributions occur on January 1st of even-numbered years.

Benefit Enhancements from Gain-sharing

- PERS 1 and TRS 1
 - Increases the “Annual Increase Amount” used in calculating the Uniform COLA.
- PERS 3, SERS 3, and TRS 3
 - Distributions to member’s individual accounts.

PERS 1 & TRS 1 Annual Increase Amount



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Plan 3 Gain-sharing Distributions

- 1998: \$134.43 for each year of service
 - TRS received July, 1998
 - SERS received March, 2001
- 2000: \$254.23 for each year of service
 - TRS received January, 2001
 - SERS received March, 2001
 - PERS received March, 2003

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Total Gain-sharing Distributions to Date (millions)

July 1998	PERS 1 & TRS 1	\$580*
	TRS 3	\$28
Jan. 2000	PERS 1 & TRS 1	\$1,268*
	TRS 3	\$73
Mar. 2001	SERS 3	\$50
Mar. 2003	PERS 3	\$26
T O T A L		\$2,025

* Half to enhance the Annual Increase Amount and half to shorten the PERS 1 and TRS 1 UAAL amortization period.

Gain-sharing and Plan 1 UAAL

- 1998
 - \$290 million
 - Amortization date drawn down to 2021
- 2000
 - \$634 million
 - Amortization date drawn down to 2016

Gain-sharing Changes

- Chapter 11 laws of 2001 (ESSB 6167)
 - Removed the provision that used half the extraordinary gain to buy-down the PERS 1 and TRS 1 UAAL amortization date.
 - Extended the PERS 1 and TRS 1 amortization date back to 2024

Attempts to Change

- Increase Frequency
 - Include odd-numbered years
- Lower Threshold
 - From 10% to 8%
- Lump-sum vs. Uniform COLA
- Alternative Distribution
 - 1 point per year of service, 2 points per year of retirement

Original Fiscal Notes

- Gain-sharing does impact funding
- Occurs when there are substantial investment gains
- Increases contribution rates from an already reduced rate
- Long term cost not reflected

Long-Term Costs Identified in 2003 Actuarial Valuation Report

Increase in Employer Contribution Rates		
PERS	TRS	SERS
0.65%	2.01%	2.35%

2004 SCPP Policy Discussion

- Non-contractual benefit
- Replace with a comparable benefit
- Trade away Uncertainty for Certainty
 - Uncertainty has a cost

HB 1324 (SCPP)

- Repeal gain-sharing
- Repeal plan 3 contribution rate window
- Defer contribution rate increases
- Raise Annual Increase Amount 20¢
- \$1,000 alternative minimum benefit
 - 3% escalator
- Age 66 COLA eligibility
- Modified “rule of 90” for Plans 2/3
- Plan 2/3 choice
- Annual SERS 3 employer contributions

ESHB 1044 (Ch 370, L 05)

- Delay funding of gain-sharing
- Suspended Plan 1 UAAL payments
- 4-year phase-in of contribution rates
- “Predictable” contribution rate policy
- SCPP gain-sharing study

SCPP Study Mandate

...study the options available to the legislature for addressing the liability associated with future gain-sharing benefits.

Options May Include...

- Repeal
- Delay
- Suspend Provisions
- Make Discretionary
- Replace
 - Plan choice
 - Employer defined contributions
 - Retirement eligibility enhancements
 - Post retirement adjustments

SCPP Gain-sharing Report

...report the findings and recommendations of its study to the legislative fiscal committees by no later than December 15, 2005.

Next Steps

- Report with options in August
- Final report with findings and recommendations by December

Questions

As benefit increases in the Plan 1s impact the UAAL, would it be appropriate to coordinate this study with the UAAL study?

Is it appropriate to grant material benefit increases in closed plans with significant unfunded liabilities?

Questions (cont)

While they addressed the liability issue, were the SCPP trade-off proposals appropriate? Why were they rejected?

Questions (cont)

Repealing gain-sharing eliminates the liability, but without a trade-off is it opening the door for legal action or greater efforts for future benefit enhancements?

Questions (cont)

Delaying, suspending, or making gain-sharing discretionary effectively turns it into an ad hoc benefit... does this address the liability issue? Does the SCPP want re-establish a policy of ad hoc COLA benefits for plan 1 members?

Questions (cont)

Are there other options that would address the future gain-sharing liability?

CERTIFICATION OF ENROLLMENT
ENGROSSED SUBSTITUTE HOUSE BILL 1044

Chapter 370, Laws of 2005

59th Legislature
2005 Regular Session

PENSION FUNDING METHODOLOGY

EFFECTIVE DATE: 7/24/05 - Except sections 1, 3, and 6, which become effective 7/1/05; and sections 2 and 4, which become effective 7/1/06.

Passed by the House April 21, 2005
Yeas 55 Nays 42

FRANK CHOPP

Speaker of the House of Representatives

Passed by the Senate April 23, 2005
Yeas 25 Nays 23

BRAD OWEN

President of the Senate

Approved May 10, 2005.

CERTIFICATE

I, Richard Nafziger, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **ENGROSSED SUBSTITUTE HOUSE BILL 1044** as passed by the House of Representatives and the Senate on the dates hereon set forth.

RICHARD NAFZIGER

Chief Clerk

FILED

May 10, 2005 - 9:44 a.m.

CHRISTINE GREGOIRE

Governor of the State of Washington

**Secretary of State
State of Washington**

1 (10) During the 2005 interim, the select committee on pension
2 policy shall study the options available to the legislature for
3 addressing the liability associated with future gain-sharing benefits.
4 These options may include, but shall not be limited to, repealing,
5 delaying, or suspending the gain-sharing provisions in law; making
6 gain-sharing discretionary; or replacing gain-sharing benefits with
7 other benefits such as plan choice, employer defined contributions,
8 retirement eligibility enhancements, and postretirement adjustments.
9 The select committee on pension policy shall report the findings and
10 recommendations of its study to the legislative fiscal committees by no
11 later than December 15, 2005.

12 NEW SECTION. **Sec. 7.** Sections 1, 3, and 6 of this act are
13 necessary for the immediate preservation of the public peace, health,
14 or safety, or support of the state government and its existing public
15 institutions, and take effect July 1, 2005.

16 NEW SECTION. **Sec. 8.** Sections 2 and 4 of this act take effect
17 July 1, 2006.

18 NEW SECTION. **Sec. 9.** Sections 1 and 3 of this act expire July 1,
19 2006.

Passed by the House April 21, 2005.

Passed by the Senate April 23, 2005.

Approved by the Governor May 10, 2005.

Filed in Office of Secretary of State May 10, 2005.

Post-Retirement Employment

Laura C. Harper
Senior Research Analyst - Legal

Select Committee on Pension Policy
June 21, 2005

Today's Presentation

- Where are we?
 - Background and history.
 - Current procedural posture.
- Where are we going?
 - OSA Study Mandate.
 - SSCP direction for 2005-2006?

History – 2001 Legislation

- Expanded Plan 1 post-retirement employment by increasing hours limit to 1500 per year.
- Program was intended to address workforce shortages.
- State Actuary was to study costs; employers to pay.
- Report submitted to SSCP 12/03; costs indeterminate at that time.

2003 Legislation

- Added restrictions to existing program.
 - New 90-day waiting period.
 - 1900-hour cumulative lifetime limit (on hours worked over 867 annually).
 - No verbal or written agreements.
 - Documentation required (need, hiring process).
- Legislature passed restrictions for PERS 1 and TRS 1; TRS 1 provisions were vetoed.

2004 Interim

- SCPP subgroup studied Post-Retirement Employment and looked at five bill drafts.
- SCPP studied issue in full and proposed legislation.
- SCPP proposed parity for the Plans 1.
- In addition, SCPP proposed additional controls and a higher cumulative lifetime limit of 3165 hours (5 years).

2005 Legislative Session

- SCPP bill was introduced as HB 1326/SB 5244.
- A substitute for this bill passed the House, SHB 1326.
 - Cumulative lifetime limits were 1900 hours for TRS and 3165 for PERS.
 - 45-day waiting period for TRS.
- SHB 1326 did not pass out of Senate Ways and Means.

Other Plan 1 Bills in 2005

- Some proposals were aimed at limiting abuse.
 - Limit retire-rehire to a legislative list of positions with justifiable need.
 - Public advertising to help avoid “insider” agreements to rehire.
 - One bill would have eliminated the program altogether.

Plan 1 Bills, 2005, cont'd.

- Another bill proposed policy and plan design changes that would encourage older workers to stay in the Plans 1 longer.
 - Increase maximum retirement allowance from 60% to 70% of AFC.
 - Limit post-retirement employment hours to 867.

2005 OSA Study Mandate

- In budget bill (ESSB 6090), Legislature directed OSA to study the retire-rehire program.
- Report is to SCPP, Ways and Means and Appropriations.
- Report is due December 1, 2005.

Why study this issue?

- Wide spectrum of legislative proposals since 2001.
- Cost has been a concern since inception; program may create an incentive to retire earlier.
- Interest in program is widespread.
 - Controversy, complaints and media attention.
 - Questions as to whether program properly addresses original purposes.

Two Components of OSA Study

- 1) Fiscal Impact of 2001 and 2003 Legislation.
- 2) Range of legislative alternatives to current program.
 - Study must include analysis of proposal to increase maximum retirement allowance in Plans 1 beyond 60% of AFC.

Preview, OSA Alternatives

- Increase benefit accrual beyond 60%.
- Revise current program.
- Repeal current program.
- Phased retirement.
- Standard Deferred Retirement Option Plan (DROP).

Match Program Design to Goals

- Which policies are advanced by the different alternatives?
- Are these policies consistent with program goals?
- Are program elements achieving the goals?
- Is the program consistent with the overarching policies of the retirement system at large?

Selecting Alternatives

- What is the goal?
 - Alleviate sector shortages?
 - Retain older workers in the public workforce?
 - Attract retirees back into the workforce?

Is the Program Working?

- Should there be parity between PERS and TRS?
- Do shortages still exist and are they being addressed by the program?
- Are there better ways solve the issue?
- Should the retirement system be used as a personnel tool?
- Are there better ways to avoid abuse?

Where is the SCPP on this issue?

- JCPP studied post-retirement employment in 2002.
- SCPP studied retire-rehire in 2003 and 2004.
- SCPP currently has its 2005 proposal, which is technically alive for the 2006 short session.

What's next for SCPP?

- Advance the 2005 proposal in 2006?
- Conduct your own study in 2005?
- Wait for results of OSA study and make any new recommendations at that time?

Decision Factors

- Political and policy implications.
- Resources/other priorities for 2006.
- Timing/incorporation into work plan.
- Independence from OSA Study.

Questions For SCPP and Executive Committee:

- Would the committee like to study this issue during the 2005 interim?
 - Has the issue been studied enough?
 - Is the committee satisfied with where it is?
- If further study is desired, how would the committee like to proceed?
 - Parallel independent study?
 - React to OSA study?

CERTIFICATION OF ENROLLMENT
ENGROSSED SUBSTITUTE SENATE BILL 6090

Chapter 518, Laws of 2005
(partial veto)

59th Legislature
2005 Regular Session

FISCAL MATTERS

EFFECTIVE DATE: 5/17/05 - Except section 923, which becomes effective 7/01/06; and section 931, which becomes effective 6/30/05.

Passed by the Senate April 24, 2005
YEAS 25 NAYS 22

BRAD OWEN

President of the Senate

Passed by the House April 24, 2005
YEAS 56 NAYS 42

FRANK CHOPP

Speaker of the House of Representatives

CERTIFICATE

I, Thomas Hoemann, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **ENGROSSED SUBSTITUTE SENATE BILL 6090** as passed by the Senate and the House of Representatives on the dates hereon set forth.

THOMAS HOEMANN

Secretary

Approved May 17, 2005, with the exception of Sections 101(1); 204(1)(a); 204(1)(p); 206(11); 209(21); 213(11); 307(9); 307(11); 307(14); 307(19); 717; 718; 721; 805, page 186, lines 21-23; 912; and 1106, page 294, lines 23-24, which are vetoed.

FILED

May 17, 2005 - 3:35 p.m.

CHRISTINE GREGOIRE

Governor of the State of Washington

**Secretary of State
State of Washington**

23 NEW SECTION. **Sec. 105. FOR THE OFFICE OF THE STATE ACTUARY**

24 Department of Retirement Systems Expense Account--

25 State Appropriation \$3,013,000

26 The appropriation in this section is subject to the following
27 conditions and limitations: By December 1, 2005, the state actuary
28 shall conduct an actuarial analysis that quantifies, to the greatest
29 extent permissible from available experience data, the fiscal impact of
30 the retire-rehire program for plan 1 of the public employees'
31 retirement system and the teachers' retirement system enacted by
32 chapter 10, Laws of 2001 and chapter 412, Laws of 2003. In addition to
33 the actuarial analysis, the state actuary shall present a range of
34 legislative alternatives to the plan 1 retire-rehire program, including
35 an actuarial analysis of the fiscal impact of proposals to increase the
36 maximum retirement allowance beyond sixty percent of average final
1 compensation. The analysis shall be submitted to the select committee
2 on pension policy, the senate committee on ways and means, and the
3 house of representatives committee on appropriations.